

Protecting Our Water Environment

BOARD OF COMMISSIONERS

Terrence J. O'Brien
President
Kathleen Therese Meany
Vice President
Gloria Alitto Majewski
Chairman Of Finance
Frank Avila
James C. Harris
Barbara J. McGowan
Cynthia M. Santos
Patricia Young
Harry "Bus" Yourell

Metropolitan Water Reclamation District of Greater Chicago

100 EAST ERIE STREET CHICAGO, ILLINOIS 60611-3154 312-751-5600

Michael G. Rosenberg
Attorney

312-751-6565 FAX 312-751-6598

July 15, 2004

**VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED
NO. 7003 2260 0005 5152 6929**

Elizabeth Ritcherly, Esq.
McGuire Woods
77 West Wacker Drive
Suite 4400
Chicago, Illinois 60601-1681

Re: Easement Agreement Between the Metropolitan Water Reclamation District
of Greater Chicago (District) and Peoples Gas Light & Coke Company
(Peoples) on Land at 3154 South California Avenue in Chicago, Illinois
File Number: 04 TM 003

Dear Ms. Ritcherly:

At its meeting of July 15, 2004, the District's Board of Commissioners approved the issuance of an easement to Peoples to install and maintain a 30-foot gas main on District owned property at 3154 South California. The Board approved an annual easement fee of \$10.00. The easement is set to commence August 1, 2004, and expire June 14, 2039.

Accordingly, enclosed is the Easement Agreement, in triplicate, for signature and notarization by Peoples.

I have addressed your concerns discussed in your June 17, 2004, letter relating to no permanent structures to be built over Peoples' utilities and have made certain revisions to Article 9. Paragraph 3.02 has been amended to specifically state that no permanent structures will be built over the utility, and Article 9 has been revised to specifically state that Peoples shall not indemnify the District for the District's own negligence or the negligence to its employees, agents, and contractors. The intent of adding this sentence at the end of paragraph 9.05 is to provide further comfort to Peoples that it shall only be liable for its own acts or omissions on the Easement Premises.

Elizabeth Ritcherly, Esq.

McGuire Woods

Re: Easement Agreement – Peoples Gas and Metropolitan Water
Reclamation District

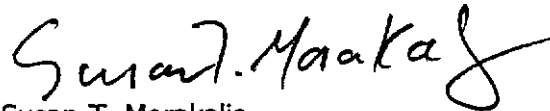
July 15, 2004

Page two

Please return each original document once signed by Peoples so that the District can then sign the Easement Agreement. A fully signed original will then be returned to you.

Should you have any questions, I may be reached at (312) 751-6557.

Sincerely yours,

A handwritten signature in black ink, reading "Susan T. Morakalis". The signature is fluid and cursive, with the first name "Susan" and last name "Morakalis" clearly legible.

Susan T. Morakalis
Senior Assistant Attorney

STM:nm

Enclosures

bcc: John Koty (w/Encls.)✓